



1 July 2011

Chariot Oil & Gas Limited

("Chariot", the "Company" or the "Group")

Corporate Update

Updated CPR confirms Chariot's estimate of gross mean unrisks prospective resource volumes

Chariot Oil & Gas Limited (AIM: CHAR), is pleased to announce the results from its latest independent Competent Person's Report ("CPR") from Netherland Sewell & Associates Inc. ("NSAI") which reports gross P50 unrisks prospective resource volumes of 14.4 billion barrels ("Bbbls") with gross mean unrisks prospective resource potential of 16.1 Bbbls, a slight increase of 3.5% or 535 million barrels, within Chariot's licence areas offshore Namibia.

Highlights:

- P50 risks resource potential of 2.2 Bbbls (Net to Chariot – 1.5 Bbbls)
- Based on NSAI's gross, risks discounted cash flows for the entire prospect and lead inventory Chariot determines a net Expected Monetary Value ("EMV") of £11.2 billion (P50) – corresponding to £7.47 (US\$12.00) per net risks bbl
- Probabilities of Success in line with Chariot risks
- Supports the investment case and the work carried out by Chariot's in house technical team

This CPR updates a previous study which reported gross P50 unrisks resource volumes of 9.0 Bbbls with gross mean unrisks resource volumes of 10.1 Bbbls, as announced on 28 October 2010. The earlier study was undertaken prior to the identification of further resources in the Tapir Complex in the Northern licence and the Nimrod prospect in the South. The updated potential resources resulted primarily from the reprocessing of 3D seismic data and subsequent AVO analysis work.

As part of this update, NSAI undertook a geologic risk assessment on the updated prospect and lead inventory as identified by Chariot and conducted an independent review of the individual prospect and lead risks. Overall, the CPR resource volumes were slightly higher than Chariot's estimates with a gross mean unrisks figure totalling 16.1 Bbbls, with increased figures for both the P10 and P90 estimates. NSAI's risks was broadly in line with Chariot's risks across the whole inventory, with minor adjustments to some prospects.

On receiving the report, the Company has calculated a total risks EMV of £11.2 billion, equivalent to £7.47 (US\$12.00) per net risks bbl, up from £4.6 billion, equivalent to £5.98 (US\$9.27) per net risks bbl as previously stated.

Paul Welch, CEO of Chariot, commented:

“These volumes have resulted from the extensive geological and geophysical work undertaken by the Chariot technical team across all our licence areas. It is very satisfying to continue to have third party endorsement of our prospective resources. Having established the potential of our assets, we now look forward to the next stage of our development and the drilling of our prospect inventory.”

Please see table below for a breakdown of the key figures from the CPR.

Licence Area/ Prospect or Lead	Gross Unrisked (100%) Prospective Oil Resources (MMBBL)				Pg %	Prospective Post-Tax Cash Flow ⁽¹⁾ Discounted at 10% (MM\$) Best Estimate	
	Low Estimate	Best Estimate	High Estimate	Mean ⁽²⁾		Unrisked	Risked
Tapir North Prospect	553	837	1,222	868	21% ⁽³⁾	11,433	2,401
Tapir Prospect	259	431	665	450	21% ⁽³⁾	6,289	1,321
Tapir South Prospect	327	479	668	492	19%	6,902	1,311
Zamba North Prospect	53	91	141	95	12%	953	114
Tapir Northeast Lead	68	139	259	154	14%	1,467	205
Zamba Lead	350	667	1,145	713	15%	9,632	1,445
Total - Northern Licences	1,610	2,644	4,099	2,772			
A Prospect	149	270	456	289	10%	3,874	387
B Prospect	146	246	394	260	18%	3,386	609
C Prospect	423	742	1,243	797	9%	10,587	953
D Prospect	47	83	137	88	10%	1,094	109
Dora North Prospect	186	561	1,315	664	13%	7,764	1,009
Dora South Prospect	174	604	1,493	741	13%	8,488	1,103
Isabel Prospect	58	139	286	159	14%	1,693	237
K Prospect	248	518	979	571	10%	6,678	668
L Prospect	120	205	328	217	10%	2,842	284
Mary Prospect	100	265	572	307	15%	3,747	562
Nimrod Prospect	2,524	4,361	7,938	4,869	24% ⁽³⁾	44,252	10,620
Total - Southern Licences	4,176	7,994	15,141	8,962			
Hartebeest Lead	502	1,489	3,287	1,720	7%	21,295	1,491
Klipspringer Lead	587	1,772	3,916	2,055	7%	24,603	1,722
Oryx Lead	157	467	1,025	543	6%	6,621	397
Total - Central Licences⁽⁴⁾	1,246	3,728	8,228	4,318			
TOTAL	7,032	14,366	27,469	16,051			

Totals are the arithmetic sum of multiple probability distributions and may not add up because of rounding.

- (1) NSAI have not summed post-tax cash flows because of the expected interdependence of prospects and leads. The oil price used for economic analysis is a Brent crude price of US\$85 per barrel escalated at 2.5% per year.
- (2) In accordance with the PRMS, we have reported the low, best, and high estimates for each prospect and lead. As requested, we have also included mean estimates for each prospect and lead.

- (3) These prospects demonstrate amplitude-offset-with-variation behaviour that may be a direct indicator of the presence of petroleum.
- (4) Leads in the Central Licences were assessed with 2D seismic data only; all other prospects and leads were assessed with 3D seismic data.

The resources in the report were estimated using a combination of deterministic and probabilistic methods and are dependent on a petroleum discovery being made. These estimates were prepared in accordance with generally accepted petroleum engineering and evaluation principles and in accordance with the 2007 PRMS definitions and guidelines as approved by the SPE.

QUALIFIED PERSON

Martin Richards, Chariot's Development Engineering Manager, is the qualified person for the purpose of this release. Martin has worked in the oil and gas industry for over 30 years and has an in-depth experience of all aspects of subsurface management, reservoir engineering and petroleum economics. He has an MA in Physics from Oxford University, an MSc in Geophysics and Planetary Physics from Newcastle University and an MEng in Petroleum Engineering from Heriot-Watt University. He has read and approved the technical disclosures in this announcement.

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NOTES TO EDITORS

About Chariot

Chariot Oil & Gas Limited is an independent oil and gas exploration group. The Group currently holds licences covering eight blocks in Namibia, all of which are offshore. All of these blocks are currently in the exploration phase.

Shares in Chariot Oil & Gas limited are admitted to trading on the AIM Market of the London Stock Exchange under the symbol 'CHAR'.

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.